

WOMEN'S WELFARE CLUB,
WESTERN DISTRICT, HONG KONG

ANNUAL FINANCIAL REPORT

For the year ended 31 March 2017

楊少銓會計師事務所
ALBERT S. C. YOUNG & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

楊少銓會計師事務所 香港執業會計師

ALBERT S. C. YOUNG & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

89-93 Bonham Strand, 2nd Floor, Office C, Man Lok Building, Hong Kong.

**Review Report to the Committee of Women's Welfare Club,
Western District, Hong Kong ("the Company")**

We have audited the financial statements of the Company for the year ended 31 March 2017 and have issued an unqualified auditors' report thereon dated 20 October 2017.

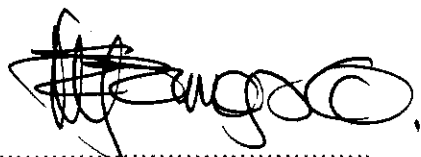
We conducted our review of the attached Annual Financial Report of the Company for the year ended 31 March 2017 in accordance with Practice Note 851 "Review of the Annual Financial Reports of Non-governmental Organisations" issued by the Hong Kong Institute of Certified Public Accountants. The review includes considering the procedures and records relevant to the preparation of the Annual Financial Report and performing procedures to satisfy ourselves that the Annual Financial Report has been properly prepared from the books and records of the Company, on which the above audited financial statements of the Company are based.

Review conclusions

On the basis of the results of our review and having regard to the audit procedures performed by us in relation to the audit of the financial statements of the Company for the year ended 31 March 2017:

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Company;
- b. no matters have come to our attention during the course of our review, which cause us to believe that the Company has not:
 - i. properly accounted for the receipt of Lump Sum Grant, Provident Fund, Special One-off Grant and other social welfare subventions and expenditure in respect of Funding and Services Agreement activities and support services;
 - ii. kept separate Operating Income and Expenditure Account for each subvented service unit as required by the Lump Sum Grant Manual (LSG Manual) published by the Social Welfare Department of the Government of the HKSAR; and
 - iii. prepared the Annual Financial Report in accordance with the format and requirements set out in the LSG Manual; and
 - iv. employed the staff quoted in the Special One-off Grant and Provident Fund arrangements during the report period.

This report is intended for filing with the Social Welfare Department of the Government of the HKSAR and should not be used for any other purpose.



Albert S. C. Young & Company
Certified Public Accountants

Hong Kong, 20 October 2017

ANNUAL FINANCIAL REPORT

NGO : WOMEN'S WELFARE CLUB, WESTERN DISTRICT, HONG KONG (772)

1 APRIL 2016 TO 31 MARCH 2017

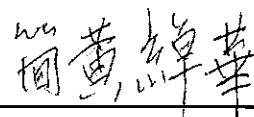
	Notes	Total 2016-17 \$	Total 2015-16 \$	Remarks
A. INCOME				
1. Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	8,002,488	7,590,097	
b. Provident Fund	1c	512,521	489,212	
2. Special One-off Grant		-	-	
3. Fee Income	2	197,698	198,283	
4. Central Items	3	37,857	25,345	
5. Rent and Rates	4	197,029	151,943	
6. Other Income	5	1,245,578	801,942	
7. Interest Received		44	52	
TOTAL INCOME		10,193,215	9,256,874	
B. EXPENDITURE				
1. Personal Emoluments				
a. Salaries		5,725,519	5,345,863	
b. Provident Fund	1c	389,484	303,604	
c. Allowances		-	-	
Sub-total	6	6,115,003	5,649,467	
2. Other Charges	7	2,866,487	1,666,480	
3. Central Items	3	11,461	15,820	
4. Rent and Rates	4	225,928	203,249	
5. Special One-off Grant Payments	7a	-	-	
TOTAL EXPENDITURE		9,218,879	7,535,016	
C. SURPLUS FOR THE YEAR	8	974,336	1,721,858	

Chairman:


Tsang Fung Kwan

Date: 20 OCT 2017

Treasurer:



Wong Cheuk Wah, Sheila

Date: 20 OCT 2017

NOTE ON THE ANNUAL FINANCIAL REPORT

1. Lump Sum Grant

a. Basis of preparation

The Annual Financial Report (AFR) is prepared in respect of all Funding and Service Agreement (FSA) activities (including support services to FSA activities) funded by the Social Welfare Department under the Lump Sum Grant Subvention System. AFR is prepared on cash basis, that is, income is recognised upon receipt of cash and expenditure is recognised when expenses are paid. Non-cash items like depreciation, provisions and accruals **have not been included** in the AFR.

b. Lump Sum Grant (excluding Provident Fund)

This represents Lump Sum Grant (excluding Provident Fund) received for the year.

c. Provident Fund

This is Provident Fund received and contributed during the year. Snapshot staff are defined as those staff occupying recognised or holding against subvented posts as at 1 April 2000. 6.8% and other posts represent those staff that are employed after 1 April 2000. Please note that the PF received and contributed for staff under the Central Items have been shown under 3. Details are analysed below:

<u>Provident Fund Contribution</u>	Snapshot Staff \$	6.8% and Other Posts \$	<u>Total</u> \$
Subvention Received	-	512,521	512,521
Provident Fund Contribution Paid during the year	-	389,484	389,484
Surplus/(Deficit) for the Year	-	123,037	123,037
Add: Surplus/(Deficit) b/f Additional subvention received for previous year(s)	75,358 *	1,075,853	1,151,211
Less: Refund to Government	-	-	-
Add: Surplus/(Deficit) c/f	<u>75,358</u>	<u>1,198,890</u>	<u>1,274,248</u>

2. Fee Income

This represents social welfare fee income received for the year in respect of the fees and charges recognised for the purpose of subvention as set out in the LSG Manual.

NOTE ON THE ANNUAL FINANCIAL REPORT

3. Central Items These are subvented services activities which are not included in LSG and are subject to their own procedures as set out in other SWD's papers and correspondence with the NGOs. The Provident Fund received and contributed for staff under the Central Items have been separately included as part of the income and expenditure of the relevant items (paragraph 3.14 of LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

	2016-17	2015-16
	\$	\$
a. <u>Income</u>		
Time-defined Subsidy Scheme for Extended Hours Child Care Services	-	25,345
Time-defined Subsidy Scheme for Extended Hours Services Users	11,357	-
	11,357	25,345
b. <u>Expenditure</u>		
Time-defined Subsidy Scheme for Extended Hours Child Care Services	-	15,820
Time-defined Subsidy Scheme for Extended Hours Services Users	11,461	-
	11,461	15,820

4. Rent and Rates This represents the amount paid by SWD in respect of premises recognised by SWD. Expenditure on rent and rates in respect of premises not recognised by SWD have not been included in AFR.

5. Other Income This includes programme income and all income other than recognised social welfare fee income received during the year. Non-SWD subventions and donations received have not been included as Other Income in AFR. In this respect, donations have been included if it is used to finance expenditure reflected in the AFR.

Other Income

(a) Fees and charges for services incidental to the operation of subvented services	197,698	198,283
(b) Others	-	-
	197,698	198,283

NOTE ON THE ANNUAL FINANCIAL REPORT

6. Personal Emoluments

Personal Emoluments include salary, provident fund and salary-related allowances. The analysis on number of posts with annual Personal Emoluments over \$700,000 each is appended below:

<u>Analysis of Personal Emoluments paid undre LSG</u>	<u>No. of Posts</u>	<u>\$</u>
HK\$700,001- HK\$800,000 p.a.	None	-
HK\$800,001- HK\$900,000 p.a.	None	-
HK\$900,001- HK\$1,000,000 p.a.	None	-
HK\$1,000,001- HK\$1,100,000 p.a.	None	-
HK\$1,100,001- HK\$1,200,000 p.a.	None	-
>HK\$1,200,000 p.a.	None	-

7. Other Charges

<u>Other Charges</u>	<u>2016-17</u> <u>\$</u>	<u>2015-16</u> <u>\$</u>
(a) Utilities	104,206	99,362
(b) Food	34,760	15,372
(c) Administrative Expenses	221,923	156,935
(d) Stores and Equipment	115,308	94,775
(e) Repair and Maintenance	103,701	73,387
(f) Special Allowances	-	-
(g) Programme Expenses	2,193,198	1,133,468
(h) Transportation and Travelling	1,231	9,163
(i) Insurance	37,343	40,224
(j) Miscellaneous	54,817	43,794
Total	2,866,487	1,666,480

7a. Special One-off Grant Payments

Details of Special One-Off Grant Payments are as follows:

<u>Special one-off Grant Payments</u>	<u>2016-17</u> <u>\$</u>	<u>2015-16</u> <u>\$</u>
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
Total	-	-

8. Analysis of Reserve Fund

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
Income					
Lump Sum Grant	8,515,009	-	-	-	8,515,009
Fee Income	197,698	-	-	-	197,698
Other Income	1,245,578	-	-	-	1,245,578
Interest Received (Note (1))	44	-	-	-	44
Rent and Rates	-	-	197,029	-	197,029
Central Items	-	-	-	37,857	37,857
Total Income (a)	9,958,329	-	197,029	37,857	10,193,215
Expenditure					
Personal Emoluments	6,115,003	-	-	-	6,115,003
Other Charges	2,866,487	-	-	-	2,866,487
Rent and Rates	-	-	225,928	-	225,928
Central Items	-	-	-	11,461	11,461
Total Expenditure (b)	8,981,490	-	225,928	11,461	9,218,879
Surplus/(Deficit) for the Year (a) - (b)	976,839	-	(28,899)	26,396	974,336
Less: Surplus/(Deficit) of Provident Fund	123,037	-	-	-	123,037
	853,802	-	(28,899)	26,396	851,299
Surplus/(Deficit) b/f (Note (2))	2,395,419	-	(72,080)	46,348 *	2,369,687
Less: Refund from Government	3,249,221	-	(100,979)	72,744	3,220,986
	-	-	71,031	-	71,031
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note (3))	-	-	-	-	-
Surplus/(Deficit) c/f (Note (4))	3,249,221	-	(29,948)	72,744	3,292,017

Notes: (1) Interest received on LSG and Provident Fund reserves, rent and rates, central items, Special One-off Grant are included as one item under LSG; and the item is considered as part of LSG reserve.

(2) Accumulated balance of Lump Sum Grant Surplus b/f from previous years (including holding account) and all interest received in previous years should be included in the surplus b/f under LSG.

(3) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule of Central Items.

(4) The level of LSG cumulative reserves (i.e. S), less LSG Reserve kept in the holding account, will be capped at 25% of the NGO's operating expenditure (excluding Provident Fund expenditure) for the year.

*: Revised to deduct the refund of \$4,752. Your ref.: () in SWD SF/SA/4-65/ (772) letter dated 30 October 2015.

Schedule for Central Items
Analysis of Subvention and Expenditure for the Period from 1 April 2016 to 31 March 2017

Name of Agency : Women's Welfare Club, Western District, Hong Kong (772)

Unit Code and Name (Note 6)	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the Year		Surplus b/f (Note 5) (c)	Surplus c/f (Note 6) (d)-(e)+(f)+(g)
					Deficit (Note 3) (b)	Adjusted Deficit (d) = (b) - (c)		
5533 - Apleichau Day Nursery	Time-defined Subsidy Scheme for Extended Hours Child Care Service	\$ -	\$ -	\$ -	\$ -	\$ -	10,955*	10,955
T772 - Apleichau Day Nursery	Time-defined Subsidy Scheme for Extended Hours Service Users	11,357	11,461	-	(104)	(104)	-	-
6991 - Apleichau Day Nursery, David Woo Day Nursery & West Day Nursery	Training Subsidy Scheme for Standalone Child Care Centre (CCC), KG-cum-CCC and Residential CCC	-	-	-	-	-	35,393	35,393
6101 - Apleichau Day Nursery, David Woo Day Nursery & West Day Nursery	Time-defined Subsidy Scheme for Occasional Child Care Service	26,500	-	26,500	-	-	-	26,500
TOTAL		37,857	11,461	26,500	(104)	(104)	46,348	72,848

*: Revised to deduct the refund of \$4,752. Your ref: 0 in SWD SF/SA/4-65/(772) letter dated 30 October 2015.

Notes :

1. The figures for the whole financial year are extracted from the payroll for March (Final) of the financial year.
2. Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
3. Surplus/(Deficit) for each element represents the difference between subvention released and actual expenditure.
4. Deficit i.e. the following central items arising from salary adjustment are transferred to the Lump Sum Grant Reserve as stated in SWD's letter ref. (9) in SWD/S/104/2 Pt. 16 dated 20 July 2016.
 - (i) Dementia Supplement for Elderly with Disabilities
 - (ii) Infirmary Care Supplement for the Aged Blind Persons
 - (iii) Dementia Supplement for Residential Elderly Services
 - (iv) Infirmary Care Supplement for Residential Elderly Services
5. "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
6. "Surplus carried forward (c/f)" means surplus brought forward plus surplus, if any, arising from operations in current year.
7. Unit code and name are extracted from the payroll from SWD.
8. The income and expenditure for the Special one-off Subsidy for Better Care for Elderly Persons with Dementia or Requiring Infirmary Care as allocated via SWD's letter ref SWD/S/E/RC/3 Pt.6 dated 4 February 2016 should also be included in the income/expenditure of the respective items.
9. The central items as listed above may not be exhaustive and any relevant details of central items released and/or expended during the year, where appropriate, should also be included.

Schedule for Rent and Rates
Analysis of Subvention and Expenditure for the period from 1 April 2016 to 31 March 2017

Name Agency: Women's Welfare Club, Western District, Hong Kong (772)

Unit Code and Name	Subvented Element	Subvention Released (Note1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
7770 - Kwan Kai Ming Memorial Chung Hok Elderly Centre	Rent (Note 3)	176,388	200,388	-	24,000
	Rates	20,641	25,540	-	4,899
	Total	197,029	225,928	-	28,899
Grand Total		197,029	225,928	-	28,899

Notes :

1. The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year.
2. Surplus/(Deficit) for each element represents the difference between subvention released and actual expenditure.
3. Rent includes all kinds of rent such as PHE rental, private rental, carpark rent, management fee, building maintenance fee and Government Rent.

Schedule for Investment

Analysis of Investment as at 31 March 2017

Agency : Women's Welfare Club, Western District, Hong Kong (772)

	2017 HK\$	2016 HK\$
LSG Reserve as at 31 March	<u>3,249,221</u>	<u>2,395,419</u>

Represented by:

Investments

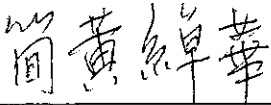
a. HKD Bank Account Balances	3,249,221	2,395,419
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	-	-
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see appendix for breakdown)	-	-
	<u>3,249,221</u>	<u>2,395,419</u>

Note: The investments should be reported at historical cost

Confirmed by:-


Chairman: Tsang Fung Kwan

Date: 20 OCT 2017


Treasurer: Wong Cheuk Wah, Sheila

Date: 20 OCT 2017